

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 - 0 1 9

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440 and 42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY _____ \$ _____
b. FFY _____ \$ _____

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1-A Page 24, and
Page 24.1per CAROL ISAACS
MDLN 12/6/029. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement to Attachment 3.1 A Page 24

and page 24.1

per Carol Isaacs
MDLN 12/6/02

10. SUBJECT OF AMENDMENT:

Medicaid authorization

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

James K. Bevan, Jr.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

14. TITLE:

15. DATE SUBMITTED:

SEPTEMBER 23, 2002

16. RETURN TO:

Michigan Department of Community Health
Office of Federal Relations
400 W. Pine St - 7th Fl
Capitol Commons Center
Lansing, MI 48903
ATTN: M. Bishop**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

SEP 26 2002

18. DATE APPROVED:

12/5/02

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7/1/02 Rick Hughes

20. SIGNATURE OF REGIONAL OFFICIAL:

Rick Hughes

21. TYPED NAME:

22. TITLE:

23. REMARKS:

RECEIVED

SEP 26 2002

DMCH - MI/MN/WI

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MICHIGANAMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY

12. Drug Products, Dentures, Prosthetic and Orthotic Devices, Bycglasses

a. Drug Products

1. Drug products are covered when prescribed or ordered by a physician, dentist or other licensed practitioner within the scope of his/her practice and when obtained from a licensed pharmacy.
2. Coverage of selected legend and over the counter products from manufacturers that have not entered into or have in effect a rebate agreement as required are limited to those products essential to the health of the beneficiary and that have a 1-A rating by the Food and Drug Administration. Coverage requires prior authorization.
3. Prior authorization may be applied to any drug product, in compliance with federal law.
 - (A) A request for prior authorization is processed within 24 hours or receipt.
 - (B) A 72-hour supply of medically necessary covered drug products is provided in an emergency situation.
4. Drug products may be restricted from coverage when use is not for medically accepted indication or when the drug is excluded from Michigan's drug product list, in compliance with federal law.
5. To provide economies and efficiencies in the Medicaid program, the state applies the same prior authorization requirements and supplemental rebate provisions utilized in the Medicaid program to its Elder Prescription Insurance Coverage (EPIC) and Maternity Outpatient Medical Services (MOMS) state-sponsored non-Medicaid pharmacy programs. By applying the same provisions to these programs, the state is able to maintain the current level of pharmacy benefits to the Medicaid population. Furthermore, providing pharmacy benefits to the financially needy potential Medicaid population improves the overall health status of this population, thereby slowing their rate of enrollment for full Medicaid benefits.
The non-Medicaid pharmacy program populations effected are the Elder Prescription Program Coverage (EPIC) program and the Maternity Outpatient Medical Services (MOMS) program, as in effect on October 2002 and as consistent with the documentation provided to CMS related to submission of SPA TN 02-19. Individuals enrolled in the EPIC program are financially needy senior citizens age 65 and over. Without prescription drug coverage, individuals enrolled in the EPIC program have a significantly increased chance of hospitalization and/or need for nursing home care that would ultimately become the financial responsibility of the Medicaid program. Individuals in the MOMS program include teenagers age 17 and under, who because of confidentiality concerns, choose not to apply for Medicaid. These individuals are likely to be Medicaid eligible, but the prenatal care offered through MOMS, including the pharmacy benefit offer the opportunity for prenatal care to be given without providing the complete Medicaid benefit.
6. Other drug restrictions include: i) dosage and quantity limits, ii) refill limits, and iii) other parameters necessary to ensure appropriate utilization or to prevent fraud and abuse.

HCFA-179 # 02-19 Date Rec'd DEC 18 2002
 Supersedes 01-15 Date Appr. 7/01/02
 State Rep. In _____ Date Eff. _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MICHIGAN

**AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY**

7. A drug use review program, including prospective and retrospective drug utilization review, has been implemented in compliance with federal law.
8. Claims management is electronic, in compliance with federal law.
9. The state is in compliance with Section 1927 of the Social Security Act. Based on the requirements for Section 1927 of the Act, the state has the following policies for the supplemental rebate program for the Medicaid population:
 - (A) A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on January 15, 2002 and entitled "State of Michigan Supplemental Drug Rebate Agreement" has been approved by CMS.
 - (B) Supplemental rebates received by the State in excess of those required under the national drug rebate agreement will be shared with the Federal government on the same percentage basis as applied under the national rebate agreement.
 - (C) All drugs covered by the program, irrespective of a prior authorization requirement, will comply with provisions of the national drug rebate agreement.

b. Dentures

Dentures are a covered benefit for recipients of all ages if determined necessary by a licensed dentist (Item 10 of the attachments) to correct masticatory deficiencies likely to impair general health. Prior authorization is required. If the client has an existing denture, replacement is permissible only if the existing denture cannot be relined or rebased, whether or not the existing denture was obtained through the Michigan Medical Assistance Program.

Reimbursement for complete or partial dentures includes the costs of any necessary adjustments within six months of insertion. Dentures which are lost, stolen, or broken beyond repair may be replaced only in extraordinary circumstances, and only once every five years.

c. Prosthetic and Orthotic Devices

Such devices are provided under the following conditions only:

- 1) when provided to a hospital inpatient, upon a physician's order indicating that the device is essential to the client's medical treatment plan; or,
- 2) when prior authorized as medically necessary and provided on an outpatient basis or for a recipient in a long term care facility.